Mosgiel Woollen Factory Co., Ltd.

DIAMOND JUBILEE

1873-1933.

MOSGIEL WOOLLEN FACTORY CO., LTD.

Dunedin, 13th Nov., 1935.

Sir or Madam,

I beg to give you notice that a Dividend at the rate of 4 per cent. and a Bonus of 2 per cent. for the past year was declared at the Annual Meeting of Shareholders held on the 12th inst.

I have pleasure in forwarding you your warrant, being Dividend and Bonus on the Shares registered in your name at date named.

Yours truly,

G. W. LANE,
Secretary.

(Immediate notice should be given of any change of Address.)

MOSGIEL
WOOLLEN FACTORY
CO. LTD.

AUTHORISED CAPITAL	£125,000
PAID-UP CAPITAL	£95,380
RESERVES ACCOUNT	£49,030

Board of Directors:

Sir JOHN ROBERTS, Kt.B., C.M.G., Chairman.
J. S. HISLOP
J. S. SINCLAIR
A. C. MATHESON
G. M. MacLEAN

General Manager:

W. L. WOOD.

Secretary:

G. W. LANE.

Bankers:

BANK OF NEW ZEALAND, DUNEDIN.

Preface

The publication of this brief account of the rise and growth of the Mosgiel Woollen Company will be welcomed not only by its shareholders, but by all who take an interest in the history of the industrial development of New Zealand.

As I read it myself, the impression was left strongly upon my mind that if every individual citizen of New Zealand, every commercial undertaking, every local body, and the Dominion Government itself had conducted their affairs with the same sound wisdom and financial prudence as the Mosgiel Woollen Company has shown, New Zealand would be a much happier and more prosperous country than it is to-day.

By the wise policy it has always followed the Company, whose history is here recorded, has been enabled to face with ease and confidence the stress and storm of the depression which during recent years has shaken the very foundations of public and private finance.

In achieving this magnificent result the Company has been much indebted to the sagacity of Sir John Roberts. For over 60 years he has presided as Chairman of Directors—an astonishing tenure of office, which is believed to be unique, not merely for New Zealand, but probably in the British Empire. Those who have the privilege of knowing Sir John Roberts personally can appreciate the immense resources of physical strength and mental character which enabled him to accomplish this unprecedented task.

The people of Dunedin and of Otago have reason to be proud of the outstanding success of the Mosgiel Woollen Company. They will continue to watch its future career with interest and confidence.

(Signed) WM. DOWNIE STEWART.

THE WOOLLEN INDUSTRY

PIONEER WORK IN OTAGO

From Hand Weaving to Power Looms

THE MOSGIEL ENTERPRISE

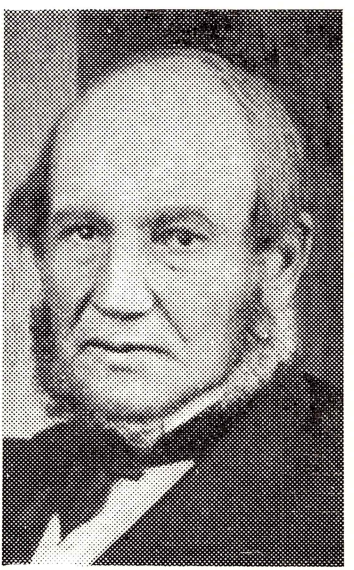
A PIONEERING EFFORT

The immigrant ships of 1848 and the years immediately following brought to Otago men of varied tastes and miscellaneous occupations. They found no ready-made outlets for either the indulgence of their tastes or the practice of their trades, and their first efforts were devoted to the erection of rough shelters to protect them from the elements. Those who arrived by the earliest ships encountered a wintry reception, but in a surprisingly short time men of enterprise were exploring possible avenues for their energies.

Among many remarkable features in the early settlement of the province it is noteworthy that the pioneers so quickly and so thoroughly adapted themselves to conditions of life altogether different from those to which they had been accustomed. For some there was within a comparatively short time ample scope in close relation to their trades and callings, but for others there was not. What, for instance, would a weaver do in Otago in 1848?

The art of weaving cloth is among the oldest of skilled handicrafts, having been practised at least as long ago as the earliest Egyptian dynasty. The mummy wrappings of that period prove that fine-fabric weaving was then an accomplishment. From the tomb of a ruler of 1414 B.C. specimens of figured cloth were taken and Babylonia was noted for the high standard reached in the weaver's art in colour-richness and in decorative pattern and style. In continuous progress throughout the ages weaving has occupied the attention of varied peoples in various countries. The advent of the power loom and its accompanying machinery has transformed the processes, but there is still considerable scope for the application of the highest measure of artistic accomplishment in the production of cloth and the wide range of textiles. To-day's variety of colour and design is of itself striking proof of the vastness of the field.

But we were writing about Otago, and mentioned its first weaver. He was a passenger by the Philip Laing, which arrived on April 15, 1848, and his name was



Mr JOHN BARR,
Pioneer Weaver of Otago.

John Barr. There were no prospects in primitive Otago for a weaver unless he started in business or found other employment. Mr Barr really did both, but in the beginning he was gaoler—the first gaoler Dunedin ever had; the man who sometimes treated his prisoners to a half-holiday with the solemn warning that if they failed to return by 8 o'clock they would be locked out for the night. As better shelter could not be had outside the gaol, and the chances of escape were slender and not without considerable personal discomfort, the flock invariably came home as directed. He also filled a useful position in the service of the community of those days, when wandering stock added one more anxiety to home-makers, by acting as poundkeeper. But at heart he was a weaver, and to weaving he returned—the first in Otago. No man can ever again accomplish his unique record—first gaoler, first poundkeeper,

first weaver. His announcement was conveyed to his fellow settlers by advertisement in the Otago Witness:—

HOME-SPUN WEAVING.

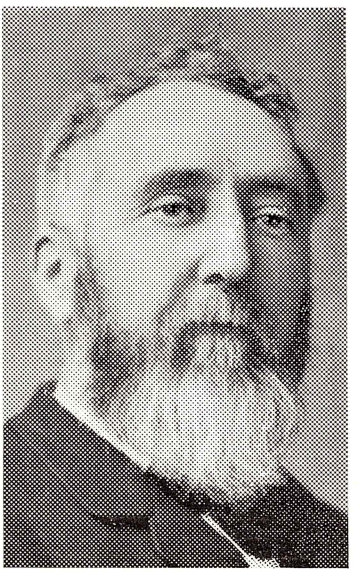
The Undersigned having got his Weaving and Warping Loom completed, begs to inform the public, that after harvest he will commence the Weaving of Shepherd Tartan, Blankets, Plaiding, etc.; and parties having Spun Yarn will have an opportunity of getting it manufactured into Cloth at Moderate Charges. JOHN BARR.
Mavis Bank, Little Paisley,
22nd Jan., 1853.

In the same issue (Saturday, January 22, 1853) the Otago Witness enlarged on Mr Barr's announcement in the following editorial note:—

"We have much pleasure in calling the attention of the public to the announcement of Mr Barr that he will be prepared to commence weaving immediately after harvest; and we trust there will be no want of yarn. Spinning wheels have been manufactured in the colony, and can be obtained in Dunedin. We have been informed that a purchase of wool at 1s 3d per lb has been made for the purpose of manufacture in the colony; at any rate there can be no difficulty in obtaining wool, and why should we be paying long prices for many imported articles manufactured for sale, and not for use, when we can make a better and cheaper article for ourselves? In the few instances in which we have seen yarn made in the settlement from colonial wool, it has been of superior quality, and when woven into the coarser kinds of clothing would command a ready sale. There is a large number of our population who have all their lives been accustomed to spin; they should not neglect so useful an employment here, so that 'once again we may hear the burr of Scotland's spinning-wheel.'"

Six months later—on Saturday, June 18, 1853—the Otago Witness reported progress in another editorial note:—

"We have been gratified with the inspection of the first pieces of cloth manufactured in Otago. We took occasion, some time since, to draw attention to the fact of Mr John Barr having announced that he would, after harvest, be prepared to weave cloth if he were supplied with material, and then recommended the spinning of yarn as a most useful employment; but we regret to hear from Mr Barr that the hint has not been taken, the pieces of cloth which were exhibited to us having been manufactured from imported material. We have, however, no hesitation in saying that Mr Barr's labours are a very satisfactory evidence of what may be done in the colony. The cloth consists of three pieces of different colours, and were better woven and stronger fabric than we have ever seen imported—in fact, just such a stuff as is required for trowser pieces in this colony. Mr Barr's department in the Home Country was the finer sorts of fancy weaving; and some people have been pleased to doubt whether he could produce a sufficiently coarse and strong material, which doubt, however, is entirely dispelled by his production. We have also the additional satisfaction of knowing that he is prepared to weave patterns; and we have no doubt that if sufficient encouragement be held out to him, we may have the pride of seeing a large portion of our population clothed in material of colonial manufacture."



Mr ARTHUR J. BURNS,
Founder of the First Woollen Company.

THE SECOND PHASE

Not many years had elapsed in the development of the province before the pastoral industry became established, supplying tangible proofs of its suitability and importance. Wool was being produced in increasing quantities, the population was growing, and all the cloth and woollen goods necessary to meet the requirements of the population were being imported. Efforts were made to interest investors in the manufacturing industries, and the manufacture of woollens was among those which received consideration. The establishment of the woollen industry in Otago was brought before the Provincial Council, the Superintendent (Mr James Macandrew) being a strong advocate of the proposal. After full consideration the Provincial Council decided to offer a substantial bonus as an inducement to the promotion of the industry, and the announcement was made by advertisement in the Otago Daily Times of June 27, 1868:—

WOOLLEN MANUFACTURE.—The Provincial Council having authorised a bonus of £1500 for the first 5000 yards of woollen cloth manufactured in the province, the Government are desirous of receiving applications from any person or persons inclined to start such a

manufactory. As the promised bonus will be calculated to facilitate the raising of sufficient capital, the Government are prepared at once to enter into an agreement with persons who are able to give a sufficient assurance that they will carry out the undertaking, to leave the bonus open to be claimed by them within a specified time—say eighteen months—on the completion of the required number of yards.

JAMES MACANDREW,
Superintendent.

26th June, 1868.

The offer of this substantial bonus doubtless stimulated interest in the prospects of woollen manufacture and it may be assumed that it became a topic of conversation in commercial circles. Mr Arthur J. Burns decided to investigate the possibilities. He was the eldest and only son of the Rev. Dr Thomas Burns, arriving with his father by the Philip Laing on April 15, 1848. Prior to his sailing from Greenock in November, 1847, he had engaged in a seafaring life for some time, though on arrival in Otago he was not more than 18 years of age. His experiences at sea included an episode in what was a most active and eventful life. During his first voyage the ship was attacked by pirates in the Arafura Sea, the waters between the north-west of Australia and the west of New Guinea. All hands had to fight for their lives, but a gale relieved the tension and saved the ship's crew from the tender mercies of the buccaneers. Mr Burns was a participant in the China War in 1845-46, being ordered out with a large number of British merchant seamen to assist the bluejackets in the attack on Canton. Following his arrival in Dunedin he settled on a rural holding at Anderson's Bay, and with his father set about converting it into a farm. The homestead was later known as "Grant's Braes," and there was erected one of the first, if not indeed the first, stone houses in Otago. The site is now known as Waverley. Later Mr Burns settled at East Taieri on the land acquired by his father from the New Zealand Land Company in 1847, the Crown grant to which was made in 1864. The farm was called "Mosgiel," and this name if not the actual spelling was used to denote the town, of which he was regarded as the principal founder. In addition to his farming pursuits, he established a flour mill and was very active in the promotion of everything calculated to further the progress of the district. He is reputed to have bred the first high-class rams produced in the country. He was a member of the Otago Provincial Council for nearly seven years, first for Central in 1855, and later for Taieri in 1863 and 1867. On two occasions he was a member of the Otago Provincial Executive, holding the office at one time of Secretary for Lands and Works. He was elected to the House of Representatives as member for Bruce in 1865, and for Caversham in 1866. He resigned his parliamentary seat for Caversham in 1870, and proceeded to the Old Country for the purpose of purchasing plant for his projected woollen mills at Mosgiel. In 1873 he disposed of his interest in the Mosgiel woollen mills to the present company, and again entered the House of Representatives, on this occasion as member for Roslyn in 1876. He resigned this seat in 1878, and later became manager of the Westport Coal Company, superintending the extensive works then erected. A few years later he returned to Dunedin and acted as a director in several local companies. His last essay in politics was an unsuccessful attempt in 1890 to win the Taieri seat. He was one of the oldest justices of the peace in Otago, and an enthusiastic supporter of many national and local movements. Historians will find one serious flaw in his judgment—he destroyed many of the valuable papers, letters, and records associated with his father's life and work in the province which had been carefully preserved. Mr Burns passed away in 1901.

The project of initiating the works was first seriously entertained by Mr Burns at the close of the year 1869 and formed one of the objects of his visit to Great Britain in the early part of 1870. The visit and his mission created considerable interest. The fame of his father was wide, his connection with the foundation efforts in settling this province was favourably known, and he was properly regarded as the founder of Presbyterianism in New Zealand. Moreover, he was a nephew of the poet. The son had established himself in the land of his adoption and he had called his farm "Mosgiel," the name being that of the old farm belonging to Robert Burns (the poet) and his brother Gilbert, near Mauchline, Ayrshire. It should be mentioned that the name attached to the farm in Scotland was spelt Mossgiel. Why the "s" was dropped in Otago or whether the Taieri farm was first known as "Mossgiel" is not definitely known to present-day residents. Innerleithen folk especially evinced a keen interest in the visitor and his enterprise, the Jedburgh Gazette of January 28, 1871, having the following reference:—

"Mr Arthur J. Burns, grandson of Gilbert Burns, a brother of the poet, has recently visited the country for a purpose of procuring skilled hands and machinery to establish a woollen factory at Mosgiel, New Zealand. To-day a sturdy and hopeful band leave Innerleithen to take up employment there, their leader being Mr John Smail, mill foreman, late of Jedburgh, but resident for some time in Innerleithen, who goes out as a partner. The others include spinners, carding machine men, powerloom weavers, waulkmill men, and burlers. The machinery to be taken out includes a complete set of carding machines, the self-acting jennies with 650 spindles. The less expensive articles of machinery have been manufactured in Galashiels and Innerleithen. No cropping or finishing machines are included in the plant, the style of tweed most in favour in the colony being that without its natural roughness shorn off."

HOME-SPUN WEAVING: MAVIS BANK, LITTLE PAISLEY.

In this house Mr John Barr, "the weaver from Paisley," produced the first cloth made in New Zealand. Little Paisley was the site of the Southern Cemetery, and the name is one of the lost links with early Dunedin.

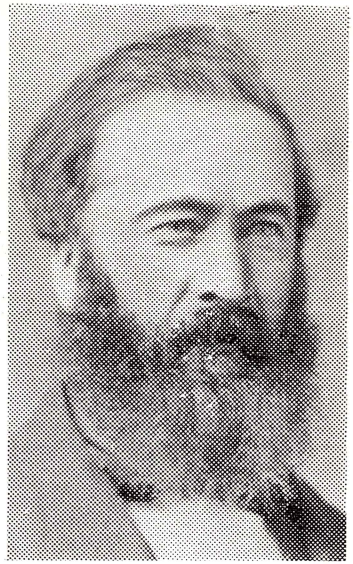
Many parts of the country were visited by Mr Burns, and for a time he encountered difficulty in raising the capital sufficient for his project. He eventually, however, succeeded in his mission, and both his backers and those who assisted him became keenly interested in the Otago venture. In addition to the purchase of machinery suitable for the enterprise, it was equally necessary to secure a supply of skilled labour. Mr Burns was equally successful in obtaining both, and having superintended the shipment of his machinery and made definite arrangements for the comfort of his operatives on the ship Helenslee, "he left the Homeland by the overland mail for Dunedin," arriving in time to complete arrangements for the reception of his immigrants who reached port on Sunday, May 28.

The site of the factory was what was known in 1871 as the old flour mill, which had been erected many years previously by Mr Burns. It was described as being about 800 yards from the Mosgiel branch of the Bank of Otago, within easy distance of the Main South road, and adjacent to the proposed railway station. There was a copious supply of water available, and the locality was regarded as being eminently suited for the undertaking. Mr Burns was warmly commended for his enterprise in erecting the first cloth factory in the province—"we trust," added the Daily Times, "the pioneer and forerunner of many institutions for the absorption of labour and the conversion of our raw products into material fit for the use of our colonists." At that time it was regarded as not improbable that Mr Burns had laid the foundation of a thriving and populous district.

In those far-off days the lightering of heavy cargo from Port Chalmers to Dunedin was a task of difficulty. The conveyance of goods, and especially heavy machinery, was tedious and slow, as well as very costly. The transportation and erection of the mill plant represented in 1871 a rather formidable task, and when it is remembered that it was accomplished in a space of four months the achievement is worthy of special mention. Mr John Smail, who had joined Mr Burns as managing partner, and took charge of the mill, was responsible for the erection, oversight, and direction of the mill and the machinery. He was a capable master craftsman as well as an efficient and energetic organiser, and the early success of the venture was in appreciable measure due to his efforts.

In a few prosaic words the Otago Daily Times of Tuesday, September 12, 1871, recorded the first stage in the machine development of an industry which has contributed to the progress of the province and the Dominion, and of a trade name which has become known far beyond its confines.

"All the machinery in the cloth factory of Messrs A. J. Burns and Co., Mosgiel, is now up. It has been set in motion, and worked easily. The manufacture of cloth is to be commenced this week."



Mr JOHN SMAIL,
First Manager of the Mosgiel Mill.

It might be inferred from this short reference that the enterprise had not provoked a large measure of public interest, but subsequent references accompanied its youthful activity. Later in the month—on September 28—the Daily Times reported progress in these terms:—

"The woollen factory at Mosgiel, East Taieri, is now in working order. The first wool was carded on the 21st inst., and the machinery is working smoothly and doing its work in first-rate style. Great care has been exercised in the erection of the various machines, and consequently when the wool was put through them not a single hitch occurred. It is most satisfactory to the proprietors to find every part working so harmoniously, and quite surprising to a stranger visiting the factory, to witness the rapid progress that has been made in getting everything in working order. The Helenslee, with the machinery on board, arrived on the 28th May, but it was the early part of July before all the plant was landed at the factory. Thus, little over two months was occupied in erecting some 180 tons of machinery. In a very short time the Mosgiel tweeds will be in the market, and we hope this new industry will succeed and handsomely reward the promoters for their enterprise."

That public interest in the enterprise was rapidly growing may be gauged from the fact that on October 23 the Daily Times published a long article descriptive of the machinery and the various technical processes involved in the manufacture of cloth. "In the thriving town of Mosgiel," said the Times, "there has lately been established an industry which bids fair to become an important feature

in the trade and commerce of Otago—the Cloth Factory of Messrs A. J. Burns and Co."

The factory was in full operation early in October, and the description given at that time stamps it as being up to date in every important respect. The various rooms, the processes, and machines bear a definite relation to the present day, which in itself marks the enterprise as being launched on solid foundations. Of the five women weavers employed when the factory opened one had been a resident of Mosgiel for some years. The cloth at first manufactured was described as "suitable for coats and other portions of gentlemen's apparel," and was declared to be "of a quality fit to take rank with the imported article." When the factory was first opened the machinery required about 20 persons to operate it, and Mr Burns was then advised that other skilled workwomen and additions to the plant, principally of stocking-looms, were shortly expected.

It was made plain that Mr Burns was laying claim to the bonus of £1500 which had been offered by the Otago Provincial Council, but it was recognised that the elements of success rested in a great measure with the public. The opinion was expressed at the time that "an absurd prejudice against articles of colonial manufacture" had tended to thwart the efforts and narrow the influence of manufacturers in the neighbouring colonies, and it was hoped that such an experience would not be repeated in the case of the pioneer cloth factory in Otago. As much as possible of the old building was utilised. The chimney stack, "54 feet from the foundation and 10 feet square at the base," merited special mention as a conspicuous landmark on the plain, and the power was derived from coal supplied from the Fairfield Colliery, Green Island. The machinery, which was minutely described, was supplied by British firms specialising in the various departments, while the wool-scouring machine was made by Messrs Kincaid and M'Queen, of Dunedin, who also fitted up the engines, boilers, and shafting.

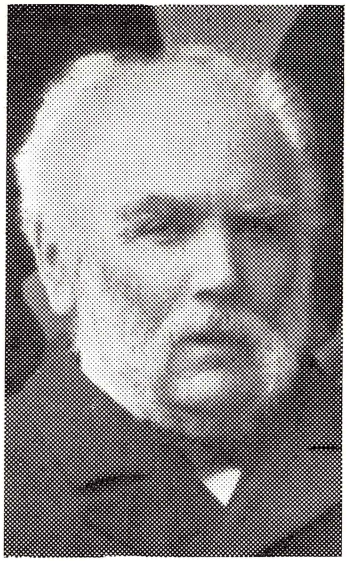
THE FIRST AWARDS FOR MOSGIEL PRODUCTS

Left: Silver medal "Interprovincial Exhibition, New Zealand, Christchurch, 1872." The reverse shows mountain ranges in the background, a lake, a large tree fern, and flora and fauna within a wreath of laurel.

Right; Bronze medal "Weltausstellung 1873 Wien. Dem Verdienste." On the reverse is the Emperor's head in bold relief, surrounded by the words "Franz Joseph I. Kaiser Von Oesterreich. Koenig Von Boehmen, Etc., Apost. Koenig Von Ungarn."

THE BIG EFFORT

The measure of success achieved by Messrs A. J. Burns and Co. was an indication of the possibilities and promise of the future. The venture had grown rapidly, but the resources of its promoters were somewhat strained, the capital not being readily available for expansion. The bonus offered by the Provincial Council was earned in 1872. Even at this early day in Mosgiel woollen manufacturing history the excellence of the products was being proved and one of the first in a long list of awards was won at the Vienna Exhibition. The need for more capital and machinery in order to cope with expanding trade made a change imperative, and in October, 1873, the prospectus of the Mosgiel Woollen Company (Ltd.) was issued, the capital being £60,000 (with power to increase), in 12,000 shares of £5 each. The proprietors retained 4000 shares, £3 paid up, and 8000 shares were offered to the public. It was stated that "the sole reason which has induced Messrs Burns and Co. to take this step is that they find the limited capital at their command prevents them taking full advantage of the extensive market which the growing demand for their manufactures has unexpectedly opened up since



Dr JOHN HISLOP, LL.D., F.R.S.,
First of Three Generations.

they started." The sale was completed for £17,000, which included "a bonus of £2500 for the goodwill of this highly remunerative and extensive business." The prospectus dealt very minutely,—and events have proved very carefully—with the position and prospects of the venture. "Profits will accrue," said the document, "from the very day the expenses of the company begin, and it may confidently be said that seldom, anywhere, has such a property been acquired on terms so advantageous." The retention of £12,000 in the new company by Messrs Burns and Co., with the contingent liability of £2 per share, was regarded as a practical profession of faith in its future prospects, and Mr Burns agreed, if required, to retain his position as manager. The services of Mr J. Smail were secured, and he retained a financial interest in the company. He remained in its service for several years until ill-health compelled his retirement. He died in Wellington while on a health trip on June 22, 1877, at the age of 58. He was an important factor in the early success of the manufacturing experiment, and it is worthy of note that he was the first of three generations to be associated with the industry in Otago, his grandson (Mr John Smail) being at present engaged as wool carder at the Roslyn woollen mills.

The names of the provisional directors of the company were announced as follows in the prospectus:—

The Hon. Robert Campbell, Esq., M.L.A.
John Cargill, Esq. (Messrs Cargill and M'Lean).
George Cook, Esq., solicitor.
John Davie, Esq., M.P.C. (Messrs M'Landress, Hepburn, and Co.).
G. W. Eliott, Esq, New Zealand Insurance Company
The Hon Matthew Holmes, M.L.A.
Edward Hulme, Esq., M.D.
James Kilgour, Esq., Roslyn.
R. B. Martin, Esq. (Messrs R. B. Martin and Co.).
William Mason, Esq. (Messrs Mason and Wales).
Andrew Mercer, Esq., M.P. (Mayor of Dunedin).
W. D. Murison, Esq., J.P.
Evan Prosser, Esq. (Messrs Kempthorne, Prosser and Co.).
Jno. Reid, Esq., of Elderslie, Commissioner of Waste Lands Board.
G. F. Reid, Esq., Stafford street.
John Roberts, Esq., M.P.C. (Messrs Murray, Roberts and Co.).

The first meeting of the provisional directors was held on October 9, 1873, in the Dunedin Club Hotel, High street, which was then kept by Mr Joseph Farrar Jones.

The first Board of Directors was elected on December 9, 1873, Messrs E. B. Cargill, Robert Gillies, James Kilgour, William Mason, and John Roberts being chosen. Under the guidance of these experienced business men the company prospered. Its products became recognised as of the highest class and the demand for them continued to grow. In the first 10 years a unique record of progress was registered. Financially the company was sound and the policy of preparedness then adopted was characteristic of its whole existence. The substantial amount of £14,000 was placed to

Sir JOHN ROBERTS,
Chairman for Sixty Years.

the reserve fund and £18,655 was written off the plant and works, the amount standing in the books at £56,000. "I ask the shareholders," said Mr John Roberts, chairman of directors, speaking at the annual meeting in 1883, "to consider that it is extremely wise on the part of the company to strengthen our position in every possible way. You are all aware that woollen factories are being started in different parts of the colony, and if they continue to increase at their present rate I have no doubt the day is not far distant when the production of our colonial manufactories may possibly overstep the consumption. When that state of affairs comes about it will most likely resolve itself into a question of the survival of the fittest; but seeing that our business is the oldest established in the colony, and one which. though I say it myself, has been conserved and strengthened in every possible way, I see no reason why we should fear any competition. I believe we are in a position to compete successfully with all comers, and we ought to be, as our company is the oldest established of the kind in the colony, and, as I said before, its strength has been fostered in every way."

Those words contained more than the germ of prophecy. The number of woollen mills multiplied and some encountered difficulties. The Mosgiel Company, however, followed a policy of progressive self-reliance and continued to prosper. It showed a decided disposition to stand on the merits of its products, and it is interesting to note in this connection that when Sir Julius Vogel launched his protective tariff in 1885, the company expressed its regret that the Government proposed an increased duty on woollen goods, on the grounds that the woollen industry "does not require it." The duty of approximately 16½ per cent. had enabled additional factories to be established and those which were efficiently managed and whose product was above suspicion were prosperous. Unfortunately in one or two cases something in the nature of "shoddy" was introduced, but Mosgiel resolutely set its face against such an innovation in New Zealand woollens. Subsequent events showed that the policy of the Mosgiel Company was in every respect sound. In 1879 the company acquired the Kaikorai Woollen Mill, a private venture started in 1874, and kept it going until Janpary, 1902, when the machinery was removed to Mosgiel. The woollen mill at Ashburton was purchased by the company in 1889, and after retaining it in operation for 13 years the company disposed of it.

At the end of 30 years' operations Mr John Roberts was the last remaining link with the original directorate, as Mr E. B. Cargill had passed away not long before and Mr James Kilgour was living in retirement in Melbourne. In view of the unprecedented record of continuous service which Sir John Roberts has to his credit to-day a remark made by himself at the company's annual meeting in 1903 struck a strange note. "I sometimes wonder," he said, "if it is in the best interests of the company that one should retain his connection for such a long term of years as I have done." Thirty more years have passed since that statement was made, and whatever misgivings on the point Sir John may then have had, the confidence continuously reposed in him by those comprising the company must have dissipated them. For the first 30 years the general average dividend paid was 7.9 per cent., while for the whole 60 years the average works out at 8.5 per cent.

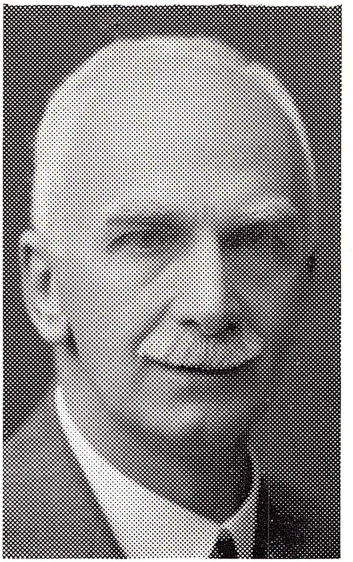
Mr E. CAMERON,
Second Manager, 1906-1928.

The buildings, machinery, and plant have always been kept in the best possible condition in order to ensure the highest measure of manufacturing efficiency. There have been red-letter days in the company's history, when new machinery and increased building space provided evidence of expansion. The installation of electric light in the mill in October of 1885 attracted attention as a mark of enterprise and on account of the novelty of that form of illumination. A special train left Dunedin at 7.30 p.m. with 126 passengers, included among whom were prominent citizens. "No stoppages were made, and Mosgiel was reached in exactly 30 minutes." The reason for the innovation was that the directors were convinced that kerosene lamps were not adapted for night work. On arrival at the factory, the visitors "were at once struck with the brilliancy and softness of the electric light." For the whole district the innovation was a novelty and added one more achievement in the name of Mosgiel. Suitable toasts were drunk, and in reply to that proposing his health, Mr Arthur J. Burns

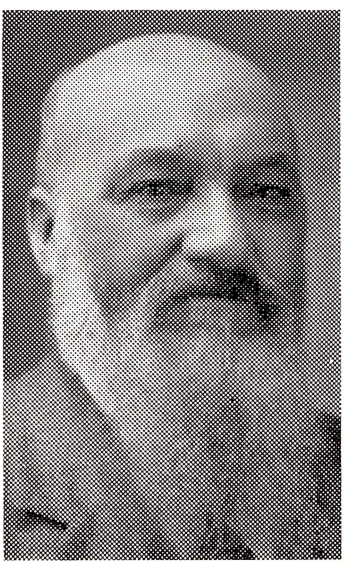
(founder of the industry) declared that "when he looked back twelve years and saw the progress the company had made, he must confess that it had expanded in a way he never dreamed of." The special train returned to the city as the witching hour of midnight approached, everybody agreeing that Mosgiel was being more and more definitely placed on the map.

In the first days of the Mosgiel enterprise the old flour mill chimney stack —"54ft from the foundation and 10ft square at the base"—was a conspicuous landmark on the plain, but the stack at the factory overshadows it to-day, being 14ft at the base and 120ft in height. The mill buildings, occupying 130,000 square feet of floor space, including the latest addition of the wool store of 9000 square feet, all substantially built in brick, well ventilated, and in a picturesque setting, convey even to the casual visitor some idea of the soundness and extent of the business.

The company has a most creditable historical record, and its rigid adherence to high business principles has a counterpart in the loyalty of those associated with the commercial and industrial side of its business. In addition to the unique position held by Sir John Roberts, it is noteworthy that Mr J. S. Hislop, who became a director in 1909, was successor to his father, Mr Walter Hislop, who held a seat on the board from 1901 to 1909, while his grandfather, Dr John Hislop, was a member of the board from 1886 to 1901. The three generations have, therefore, covered a period of 47 years of continuous service on the directorate. Sir John Sinclair joined the board in 1899, and his son, Mr J. S. Sinclair, succeeded him in 1922, covering between them a period of 34 years. Other directors have had lengthy periods of service. The company has had three general managers, Mr J. H. Morrison being the first. Mr Morrison filled the position for 32 years, from 1874 to 1906. He was succeeded by Mr E. Cameron, who was first employed by Messrs A. J. Burns and Co. Mr Cameron was associated with the Mosgiel enterprise for 56 years, his service commencing in the old Stafford street office, from which the company's Dunedin activities were first directed. He was in turn succeeded by Mr W. L. Wood, who is general manager as well as mill manager, with 25 years' service in the company's employ. In the latter position Mr J. Smaill, who was Mr Burns's partner, and Mr John Dryden were his predecessors, the latter having a long period of service to his credit. The company has also had three secretaries. Mr R. S. Nicolson served until 1896, when he was succeeded by his son, Mr W. Nicolson. After 35 years' service the latter retired in 1931, when the present secretary, Mr G. W. Lane, took over the duties. On the general service roll, which numbers over 300, the company has the commendable record of having four employees with 50 years and over, 12 with 40 years and over, nine with 30 years and over, and 26 having 20 years and over.



Mr W. L. WOOD,
Present Manager.



Mr J. H. MORRISON,
First Manager, 1874-1906.

It is not in the slightest degree an exaggeration to say that Mosgiel woollen products are known over a large part of the world. They have been exhibited at several international displays, and awards

of importance received number close on 50, including 10 in Australia, nine in Great Britain, three in America, one in Vienna, one in Canada, and 21 in New Zealand. Mosgiel rugs are among the most-travelled articles in the two hemispheres, evidence of which may be gathered from many sources. From time to time the company has been advised of globe-trotters carrying its rugs through many countries and over enormous distances. They are intimate companions, and evidently warm favourites. In the Illustrated London News of April 25 of this year her Majesty the Queen is seen entering her carriage with the Mosgiel rug presented to her at the Wembley Exhibition some eight years ago. Wherever the goods have been shown they have attracted conspicuous attention and received unstinted praise. This has been the experience of the company throughout its entire history. To-day its sixtieth annual meeting will be held, and its measure of accomplishment during that long period is alike satisfactory to all who have contributed to it or been associated with it.

OTAGO DAILY TIMES CO.

(*Reprinted from Otago Daily Times, November 15 1933.*)

Mosgiel Woollen Factory Company Ltd.

SIXTIETH ANNUAL MEETING

TRIBUTES TO SIR JOHN ROBERTS

The sixtieth annual meeting of the Mosgiel Woollen Company was held in the offices of the company on November 14. The chairman of directors (Sir John Roberts) presided, and there was a good attendance of shareholders.

CHAIRMAN'S ADDRESS

The chairman, in moving the adoption of the annual report and balance sheet, said:—

"I stated at last year's meeting of shareholders that a very serious decrease in the income of woolgrowers had taken place, and that this must mean a great reduction in their purchasing power. I am glad to say that a material increase in the value of wool has of late taken place, which will be of great assistance to our woolgrowers. I estimate that the increased value of the finer classes of wool which are grown in the South Island will amount to 6d per lb, and in the North Island it will amount to about 3d. The prospects for the value of frozen lamb are good, and I think we can look forward to the present prices being fully maintained. It is now quoted as worth 7d to 7½d as against 5d at this time last year. Dairy produce has also lately been commanding better prices, and I hope that they may continue. Our butter and cheese represent a very large proportion of the value of our exports. Many are of the opinion that shipments to England are in excess of what she can use, and some authorities go the length of suggesting that shipments should be curtailed, but how this can be accomplished remains to be seen. Secondary industries for some time past have been affected to some extent by the competition from Japanese manufacturers, and unless some effort is made by the authorities to combat this, we along with others must suffer. The —("Hear, hear.") He thought that if men of his ability had gone into Parliament the country would not be in the difficulties it was in to-day.—("Hear, hear.") He hoped that their chairman would long be able to guide the destinies of their company. In regard to the balance sheet, it was unnecessary for him to make any comments. The figures spoke for themselves. He considered theirs was the most prosperous woollen company and the best-managed in New Zealand.—("Hear, hear.")

The motion was carried without discussion.

OFFICE-BEARERS.

The retiring director (Mr A. C. Matheson) was re-elected unopposed. Messrs Barr, Burgess and Stewart were reappointed auditors.

Mr Matheson, in returning thanks for his re-election, said that reference had been made to the large accumulation of liquid funds, and in this connection it was as well to remind shareholders that while they were evidence of the strength of the company's finances they were also evidence of the state of trade, which had hit their company just as it had hit others. To make the position clearer, let him refer them to earlier balance sheets and the one before them. They would notice that the aggregates of stock, book debts, and bills receivable had been greatly reduced. In 1925 these items had totalled £112,145, and this year £49,975, a reduction of no less than £62,170, while during the same period deposits and investments had increased by £80,646, so that the increase in investments and deposits was chiefly accounted for by the accumulation of funds formerly employed in trading. Keener competition from Home and foreign markets was not unlikely, and the outlook for present at the meeting, but by every shareholder on the register. They all knew of the admiration for Sir John Roberts's services as chairman of the company for such a long period. It was a magnificent record. The shareholders, moreover, must be grateful to the directors for declaring such a handsome return on their capital—the more welcome in view of the fact that so many companies were having lean years. The speaker said it might be surprising to know that their company had had its lean years, and that the directors were to be congratulated on their judgment and courage when, instead of paying dividends from small profits, they had devoted every penny of the profits to building up reserves.—(Applause.) The shareholders were now reaping the reward of that foresight. It was very gratifying to have men of the standing of Sir John Roberts at the head of their company.—(Applause.)

Mr Willi Fels seconded the motion. He said he endorsed all the previous speaker's remarks.

The motion was carried unanimously.

Sir John Roberts briefly returned thanks for the gift.

The directors will make the selection of the plate.

CONGRATULATORY.

Letters of congratulation to Sir John Roberts on his unique record and to the company on attaining its diamond jubilee were received from Messrs Ross and Glendining (Roslyn Mills), the Kaiapoi, Bruce, Wellington, National (Wanganui), Napier, Oamaru, and Onehunga Woollen Mill companies, and from Messrs Lane, Walker, and Rudkin.

Mr J. Sutherland Ross, writing on behalf of the Roslyn Woollen Mill Company, stated that he believed the record of Sir

tangible expression of appreciation to the members of the staff, and said he would like to take the opportunity of congratulating Sir John Roberts on his 60 years' record as chairman of the company. All the employees at the mill and the staff in the warehouse desired, he was sure, to pay a tribute to Sir John Roberts. The relationship with the directors had always been of a most pleasant nature. He could say that after 25 years' service with the company.—(Applause.)

SIR JOHN ROBERTS FELICITATED

The following motion was carried at a meeting of the board of directors on November 14:—

"That as this is the occasion of the sixtieth anniversary of the chairmanship by Sir John Roberts, the members of the board desire to express to Sir John their congratulations and their great appreciation of the invaluable services rendered by him to the company."

The association of Sir John Roberts with the Mosgiel Company for 60 years as the chairman of its directors was recently described in a London financial paper as a unique record in the British Empire. The numerous company directorships which Sir John has held, and still holds, and the public positions he has occupied, bear witness to a life of unusual activity and at the same time to one in which time and service have, in generous measure, been devoted to the welfare of the whole community. The public companies in which he has held office (besides the Mosgiel Company) are:—

The Milburn Lime and Cement Com-

although a slight decrease has taken place in sales, has been on good lines, and I am pleased to be able to report that losses with our customers have been practically nil. Shareholders will notice from the report that the directors recommend that a special bonus of 7s 6d per share shall be paid to them in addition to the usual 10 per cent. dividend. This will amount to £8941 17s 6d and will be payable out of reserves. It has been decided that a jubilee bonus be paid to the warehouse staff and the employees at the mill.

"In dealing with the accounts for the year, I shall make a few explanatory remarks. In the balance sheet, on the liabilities side, the only amount for attention is sundry creditors, which shows an increase of £1407. This is accounted for by increased provision for income tax. On the assets side, Government stocks amount to £61,833, this being an increase of £10,031, but partially offsetting this increase is a reduction of £1889 in book debts, £672 in bills receivable, stock is down by £645, land, buildings, and machinery have decreased by £1186, and warehouse property decreased by £1000. Turning now to profit and loss account, interest account shows an increase of £1032, but this is partly accounted for owing to the alteration of interest dates consequent upon the Government conversion scheme on March 31 last. This amount will not stand as high in the future. Goods account shows a slight reduction of £2612, due to a small decrease in the company's business. On the debit side working expenses, which are of a fluctuating nature, show a decrease of £559, as also do charges, salaries, etc., to the extent of £1502—this being due to the fact that it has not been necessary to make provision for or write off any bad debts this year. I have much pleasure in expressing my own and the board's appreciation of the excellent services by Mr Wood, the warehouse staff, and all the employees at the mill. I now move that the balance sheet and profit and loss account be approved and that a dividend of 4 per cent. with a bonus of 2 per cent. be paid on the paid-up capital for the half-year, making for the year, with the interim dividend in April, 10 per cent., also that a cash bonus of 7s 6d per share be paid from reserves."—(Applause.)

Mr A. H. Fisher seconded the motion. He said that he would, on behalf of shareholders, like to congratulate Sir John Roberts on attaining his diamond jubilee as chairman of the company.—(Applause.) It was a remarkable record, and they all realised that it was due to his foresight and his extraordinary business acumen that the company had achieved its present highly satisfactory position.—(Applause.) He only wished that Sir John Roberts during his life had been able to devote some time to politics.

their chairman had pointed out, the prospects for some of the chief exports of the Dominion were greatly improved, and they hoped to share in the resulting prosperity. With a renewal of business activity and the higher prices which would have to be paid for wool, more of the funds would be employed, and shareholders were fortunate in that the company was so well equipped to meet all contingencies that were likely to arise.

YEAR'S EXTRA FEES TO DIRECTORS.

Mr Peter Barr said he would like to congratulate the members of the staff, both at the mill and also in the warehouse, and also the directors, and especially their chairman, on their work in connection with the company's affairs. In adopting the report they had passed a well-deserved bonus to the staff, and he was quite sure shareholders would warmly approve of the decision of the directors. He considered, however, that they might go a step further than a mere vote of thanks to the directors, and he thought shareholders would all agree with the suggestion he was bringing forward. That was that they should pass a vote to the directors, by way of bonus, of a sum equal to a year's directors' fees. So far as he knew none of the directors was very hard up, but he thought they would appreciate such a tangible expression of appreciation of their services from the shareholders. The speaker said that while everyone would agree that no one in the past could have rendered such service to the company as Sir John Roberts, and that it would be impossible for anyone in the future to do so, still the other directors, who belonged to a younger generation, had also given very valuable service.—("Hear hear.") Mr Barr then formerly moved on the lines of his suggestion, not only as a recognition of the services of the directors, but also in recognition of the sixtieth year of the company's activities.

Mr T. C. Coull seconded the motion. He said he thought that the directors should be congratulated on the manner in which they had run the company's affairs.

The motion was carried unanimously.

Sir John Roberts, in returning thanks, humorously remarked that the directors' fees were not very expensive, and that he thought they fully deserved the vote.—(Laughter.)

GIFT TO SIR JOHN ROBERTS.

Mr A. S. Malcolm moved—"That this meeting of shareholders instructs the directors to allocate £100 to purchase a piece of plate for presentation to Sir John Roberts in recognition of his 60 years' service as chairman of the company." Mr Malcolm said that this was entirely his own idea. He felt sure it would be approved, not only by the shareholders

chairman of the company from its inception 60 years ago was unparalleled in the history of the Empire.

VOTE OF THANKS.

Mr Peter Barr moved a vote of thanks and appreciation to the directors of the company and to the staff, both at Mosgiel and in the warehouse.

Mr W. H. Adams seconded the motion, which was carried unanimously.

Sir John Roberts, in returning thanks, said they had, so far, he thought, had very pleasant times. Their business had been good and their losses had been small. Although he said it himself, he thought shareholders of the Mosgiel Company had every reason to be satisfied with its 60 years' work.—(Applause.) They would notice from the report that the company had paid an average of almost 8½ per cent. over the 60 years and he thought that was a record very few companies could claim. The prospects for the future were quite good, and he did not anticipate any reduction of profits. The increase in the value of their exports was very satisfactory and it must reflect very largely on the welfare of the country as a whole. If their producers on the land got fair prices for their produce he thought they could look forward with confidence to the near future, believing that they were going to have better times. All their exports, he thought, were bound to increase in value. Their dairy produce was still in want of an increase in value, but on the whole the industry seemed to be going on very well. Their frozen meat was selling now at reasonable prices—not high but not low. So long as they could get 7½d for fat lambs they should be fairly well content. With the prospects of frozen meat, wool, and dairy produce, he thought they could look forward to meeting their financial obligations. Nevertheless, farming during the past two or three years had not been a very lucrative occupation, and he was sure they all hoped that the prices for all produce would reach reasonable figures.

Sir John Roberts said that 30 years ago he had said he thought it was time he retired. "And here I am," he added amidst laughter. He would consider with his co-directors later on the question whether the time had arrived for his retirement. Sixty years was a long period of service.—("Hear, hear.") He knew no other such record. He had seen one case of a man—in Australia, he thought it was—who claimed that he had a record of chairman of his company for 45 years. "Well, I am 15 years ahead of him," said the speaker. "I hope I shall be spared to say 'How do you do?' to all of you next year," concluded Sir John Roberts amidst applause.

Mr W. L. Wood, manager of the company, returned thanks on behalf of the staff. He thanked the directors for their

Donaghy's Rope and Twine Company, Ltd.—a director since February, 1914.

The Trustees Executors and Agency Comapny of New Zealand, Ltd.—a director from the inception of the company in 1911 to the present time.

The New Zealand Refrigerating Company, Ltd., which originated in the company of the same name that was founded in Dunedin and was the first freezing company to be started in Dunedin. Sir John was an original director of this company.

Union Steam Ship Company of New Zealand, Ltd.—a director for 28 years: retired two years ago.

Mutual Life and Citizens' Assurance Company, Ltd.—a local director.

Among the positions which Sir John Roberts has held in the course of his extensive activities are the following:—

Member of the Provincial Council of Otago, 1873-1875.

Mayor of Dunedin, 1889-90.

President of the South Seas Exhibition, 1889-90.

President of the Chamber of Commerce.

Vice-chancellor of Otago University.

Chairman of the Taieri County Council (Sir John succeeded Mr James Fulton, the first chairman of the county).

Chairman of the New Zealand Woollen Mills' Owners' Association from its inception in 1906 to the present time.

Sir John, it may be added, reached New Zealand in the year 1868—at that time the population of Dunedin numbered some 20,000 souls. The only railways then in existence in New Zealand were the Lyttelton-Christchurch line and the Bluff-Winton line. Roads were mere tracks. Steamers and sailing ships which entered Otago Harbour berthed at Port Chalmers. The boom in gold mining, the event which gave such a stimulus to the development of Dunedin and Otago, was in progress.

The great influx caused by the discovery of gold at Gabriel's Gully created openings for commercial and industrial expansion, and the enterprise with which Sir John was endowed quickly began to assert itself, and it is significant that undertakings with which he has been prominently associated are flourishing to this day. Dunedin commercial men have often been reproached for their conservativeness and their cautious methods of doing business; but, though many firms have come and gone since Sir John reached New Zealand, he has lived to see the justification of the policy by which many of his enterprises have been conducted. The ability to "sift the tares from the wheat" has been an outstanding characteristic in a career singularly successful in the commercial world.

(*Reprinted from Otago Daily Times, November 13, 1935.*)

Mosgiel Woollen Factory Company Ltd.

SIXTY-SECOND ANNUAL MEETING

The sixty-second annual meeting of shareholders in the Mosgiel Woollen Factory Company, Ltd., was held in the office of the company yesterday afternoon. The chairman of directors (Mr J. S. Hislop) presided, and there was a good attendance of shareholders.

CHAIRMAN'S ADDRESS.

Moving the adoption of the annual report and balance sheet, the chairman said:—

"As was the case in the 1933-1934 periods, the past year has been a most difficult one in trading conditions, and has caused your directors and management a good deal of thought. Imports from abroad of large quantities of medium and low class goods, some of the latter wrongly described as 'all wool' or 'woollen,' have had a serious effect on the sale of our higher class goods, and unless drastic steps are taken to have these importations correctly described the trouble will continue. Whilst it has never been considered by your directors advisable to speculate in wool, it was thought that, in view of the low range of values ruling last season and the very much reduced rate of interest on deposits, it would be a sound investment to purchase more than our annual requirements. This decision has been fully justified, and, I trust, will meet with your approval. The prospects for those engaged in the primary industries are much brighter than at this time last year, and with higher values ruling the purchasing power of the public should be considerably improved. With larger stocks at our disposal and an already decided increase in orders, the directors are hopeful that the coming year will show an improvement in our trading. In dealing with the accounts for the past year, a few explanatory remarks on the figures may be made. On the liabilities side capital remains at £95,380. Reserve account is increased by the £2000 transferred last year, and sundry creditors show a decrease of £2500. On the assets side land, buildings, and machinery show additions during the year costing £4284, including a new boiler and a dyeing machine, the net amount, after allowance for depreciation, remaining practically the same as last year. New Zealand Government loans and sundry investments show a small increase. Cash on deposit is less by £20,000, the difference being principally accounted for by the increased purchases of wool already mentioned. Sundry debtors show a slight increase and stocks also, as a result of extra wool on hand, are higher than at this time last year. Profit and loss account: On the credit side interest shows a slight drop owing to our having less money on deposit, and goods account a reduction of about £6000. This latter amount is largely offset by a decrease on the debit side of the item 'charges' group, including directors' fees, of nearly £5000. Working expenses and factory maintenance show a decrease this year of about £1000, but this item is necessarily of a fluctuating nature. I have much pleasure in expressing my own and the board's appreciation of the very valuable services rendered to the company by our general manager, Mr Wood, the warehouse staff, and all the employees at the mill. I now move that the annual report, balance sheet, profit and loss account, and auditors' report be approved and that a dividend of 4 per cent. for the half-year and a bonus of 2 per cent. for the year be paid."

Mr T. Coull, seconding the motion, said that they were glad to know that the company still occupied its prominent position, due, no doubt, to the wisdom of the directors in the past, and to the able manner in which the present directors and officials were also carrying out their duties. The speaker referred to the fact that land, buildings, machinery, etc., stood in the books of the company at £29,347 11s, a position of which they should feel proud, and the directors ought to be congratulated on having in the balance sheet such a valuable asset. He dealt with the question of competition from Japanese goods, and said that the position was very serious and very difficult to deal with. At the same time, quality came in, and that was probably where the Japanese competition would fall down. The public would buy goods of low grade and try them out, and if not reliable the probabilities were that they would return to their old buying channels. It behoved the manufacturers to teach the public to buy on quality and not altogether on price. Another kind of competition, said Mr Coull, came from British sources—from which large quantities of worsted goods were coming to the market. Large quantities of woollen goods had been imported into the Dominion at a very cheap price, and they had been proved not to be up to the standard set to-day. They had been branded as "all wool," but investigations had shown that in many cases the goods contained 50 per cent. wool and 50 per cent. cotton. In some cases, too, the wool had been taken from old garments previously used and recarded. It was time that the Government investigated the position and protected the public from having such goods foisted upon them. Under the economic stress which had prevailed in recent years it might be expected that the housewife would turn towards the cheaper class of goods, but she was beginning to learn that cheap goods were the dearer in the long run. There appeared to be an indication that the pendulum was swinging the other way, and that the people were becoming tired of cheap goods. He thought that they could look forward with confidence to the future.—(Applause.)

The motion was carried.

DIRECTORATE.

The retiring directors, Messrs G. M. MacLean and James A. Roberts, were re-elected.

Messrs Barr, Burgess and Stewart were re-elected auditors.

CONGRATULATORY.

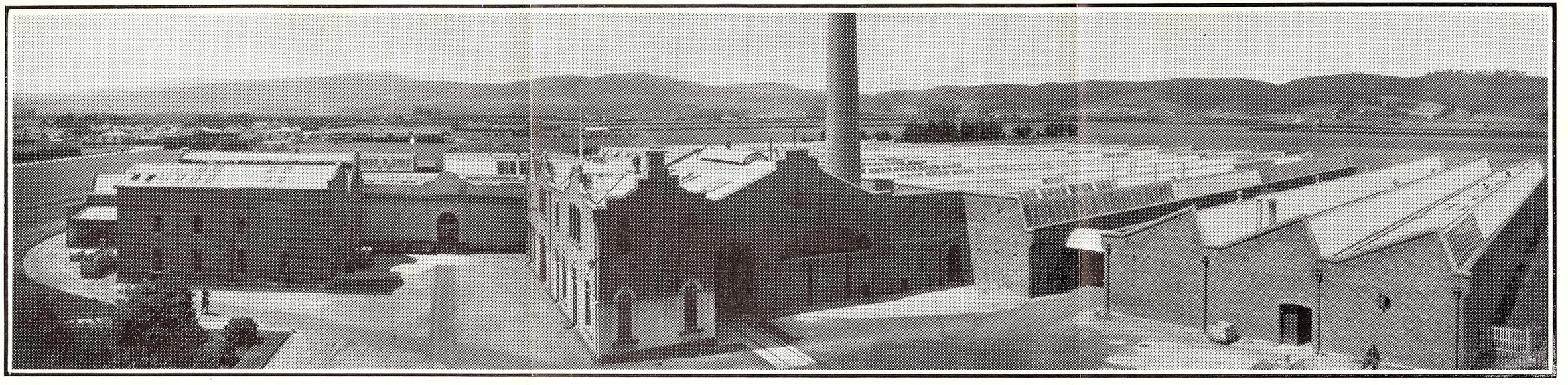
Mr H. H. Sykes moved a hearty vote of thanks to the directors, the general manager, and the staffs at Dunedin and Mosgiel. The shareholders, he was sure, realised that they were extremely fortunate in their directors, and that they also had a loyal and capable staff. Mr Sykes suggested that, in view of the fees paid to directors of other companies with not such large activities as their own, the directors of the company should consider the question of increasing their remuneration. Mr Sykes then moved that the directors consider during the year the possibility of increasing their remuneration by 25 per cent.

Mr W. R. Noble seconded the motion, which was carried.

Mr Hislop, returning thanks on behalf of the directors, said that they were a very modest crowd. They certainly had the right to increase their fees, but they awaited an expression of opinion from the shareholders. They would take the matter into consideration, and perhaps after restoring to the staff cuts and so on they could come to some decision.

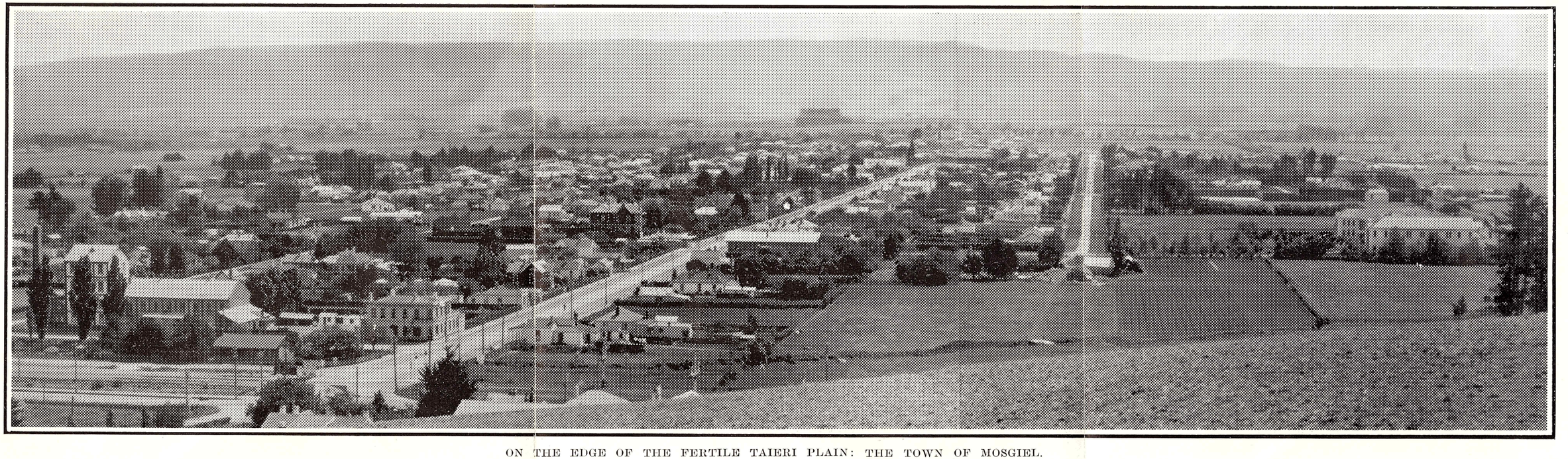
Mr J. S. Sinclair said that the company, as they could see from the balance sheet, was a very prosperous one. They had had considerable difficulties, of course, during the slump, but largely on account of the wise and conservative policy of the directors in the past the company had been able to weather their difficulties. The future, as their chairman had said, looked good. They did not, however, know what was in store for them. Trading was not as easy as it was a few years ago. There was this foreign competition, and in addition there were certainly cheap goods coming into the market. They were hoping that the quality of the company's goods would in the long run come out on top, as in the past. They had had a few setbacks in recent years on account of the purchasing power being so much reduced, but with better prospects they hoped that they would have even better sales, and next year be able to show an even better balance sheet than that shown this year.—(Applause.)

Mr W. L. Wood, the general manager, returned thanks on behalf of the staff. He said that troubles were meant to be overcome, and that they had been able to meet theirs by the fullest co-operation between the directors, the staff, and the employees. He was sure everyone was giving of his best.—(Applause.)



AFTER SIXTY YEARS OF INDUSTRY AND ENTERPRISE: THE WOOLLEN MILL BUILDINGS AT MOSGIEL.

This comprehensive illustration shows the main portion of the Mosgiel Woollen Factory Company's Mill. The spacious Wool Store, the most recent of the buildings, is not shown, as the roof of it was used as an elevation from which this view of the mill was taken.



ON THE EDGE OF THE FERTILE TAIERI PLAIN: THE TOWN OF MOSGIEL.

The first glimpse of Mosgiel and the Taieri Plain never fails to impress the traveller going south on the main road. The plain itself is one of the richest rural areas in the Dominion, and the town and locality has several industries and educational activities associated with it. As the location of the Mosgiel Woollen Mill the name has become widely known. It is also the site of the Otago air port.